Organic Trade for Development

Senior Manager Capacity Development
IFOAM-Organics International
Organic Trade for Development

The goal of OT4D is to foster organic business development in export and domestic trade to create and expand job opportunities in rural areas.
The OT4D project at a glance

**Donor support:** Siwss State Secretariat for Economic Affairs - SECO

**Project duration:** September 2019 – June 2023

**Countries of intervention:** Albania, Serbia and Ukraine

**Budget:** 6.5 Mio CHF
The OT4D Team

IFOAM- Organics International (Lead agency)

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Organic Trade for Development

**Export promotion**

1. Market information system is available
2. Capacity of business supporters is developed
3. Internationally accepted quality standards and certification systems
4. Company cooperation through Public-Private-Partnerships established
5. Sector convening events strengthen partnerships

**Domestic market development**

1. Leaders and institutions are enhanced to provide services to producers
2. Domestic consumers demand local organic food
3. Market actors supply organic products on domestic markets
4. Governments apply best practice policies
Component on sustainable growth of organic sector

Taking the needs of the sector at individual, organizational and sectoral level into account, interventions are foreseen that address the needs on all levels with the aim to enhance the institutions that are crucial for sector development. These institutions are the key drivers for developing the sector through

a) the promotion of organic,
b) provision of relevant services,
c) representation and facilitation of dialogue in the organic sector.
Component outputs

- Sector Governance enhanced
- Consumer demand
- Local markets
- Government policy advise
Opportunities for engagement

How to get involved in OT4D?
Capacity Development

- Organic Leadership Courses
- Organic Foundation Courses
- Organizational development for local institutions
- Facilitation of interactions between local stakeholders
Consumer awareness raising

- National Campaigns
- Media outreach
Local markets - Supply meets demand

• Strengthening local market initiatives – Seed funds
• Replication and upscaling of local marketing initiatives
• Farmers exchange
• Participatory Guarantee Systems (PGS)
Policy Support

• Policy exchange and discussions – *IFOAM Policy toolkit*

• Regular information sharing on the new EU - Regulation

• Participation in the CEE Roundtable

• Engagement with policy makers
OT4D – Component on export markets

Toralf Richter
FiBL
Component on export markets

Organic exports have significantly increased and the organic sector growth is sustainable

a) Creating / Using Market Information Systems
b) Capacity Development of BSOs
c) Support of new quality standards
d) Initiate Public Private Partnerships
e) Facilitate market dialogue via platforms
Market Information System (MKIS)

Purpose
- Provide access to relevant information to value chain actors
- Improvement of public policies through increased awareness of market realities

Expected outcome in 2021 (Albania, Serbia)
- Planning of MKIS completed
- Business model for MKIS developed
- MKIS integrated into (aligned with) PPP
- Prototype operating

We will not re-invent the wheel. Existing MKIS are used and supported/improved
Business Support Organizations’ Capacity Development

What will be considered as BSO
• BSO, Service Providers/Consultancies

Purpose
• Building up and strengthening capacities of BSOs and service providers to provide better market access services by

Expected outcome in 2021 (Albania, Serbia)
• Assessment of selected BSO/SP completed and thematic areas and skills that need strengthening are defined
• Customized training program developed
• BSO and SP receive support to refining their business model of service provision
• BSO services are promoted
Meeting certification requirements

Purpose
• Target groups know about trends and customer needs about quality / organic standards
• Private consultants and certification bodies have received training to identified needs and will offer additional advisory/certification services

Expected outcome in 2021 (Albania, Serbia)
• Needs are identified in consultation with the target groups
• Collaboration with EOCC is established
• Training plan elaborated
• 2 training events in Balkan countries
• Build up helpline support for local certification bodies
Facilitation of Import-Export-Platforms

Purpose
• Capacity building and social capital development among key actors (within and across countries)
• Enhanced ownership/empowerment of the involved stakeholders about the developed platform
• Improved ‘organic image’ for involved countries and exporters
• Improved visibility of available organic portfolio, existing services, and service providers

Expected outcome in 2021 (Albania, Serbia)
• Country and international platforms identified
• 1st virtual meetings of platforms CH/EU
• 2 platform meetings in each country to reflect on planned activities
• Platforms have developed/agreed each on their mandate and work plan for 2021/22
Thank you
Organic sector in Serbia
Olga Kešelj Milovanović – Serbia Organica

Swiss Confederation
Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO
## Areas in organic agriculture in 2019

The goal of OT4D is to foster

<table>
<thead>
<tr>
<th>Type of crop production</th>
<th>In conversion (ha)</th>
<th>In organic status (ha)</th>
<th>Total (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>2047.6354</td>
<td>2,741.1785</td>
<td>4,788.8139</td>
</tr>
<tr>
<td>Industrial crops</td>
<td>126.5688</td>
<td>2,102.9881</td>
<td>2,229.5569</td>
</tr>
<tr>
<td>Vegetables</td>
<td>41.9065</td>
<td>142.2552</td>
<td>184.1617</td>
</tr>
<tr>
<td>Forage</td>
<td>889.9079</td>
<td>908.0144</td>
<td>1,797.9223</td>
</tr>
<tr>
<td>Fruits and vineyards</td>
<td>2159.2661</td>
<td>3,165.0976</td>
<td>5,324.3637</td>
</tr>
<tr>
<td>Medicinal and aromatic plants</td>
<td>23.5111</td>
<td>235.0316</td>
<td>258.5427</td>
</tr>
<tr>
<td>Other (not sown, reproductive material...)</td>
<td>745.8223</td>
<td>586.2645</td>
<td>1,332.0868</td>
</tr>
<tr>
<td><strong>Total arable</strong></td>
<td><strong>6,034.6181</strong></td>
<td><strong>9,880.8299</strong></td>
<td><strong>15,915.4480</strong></td>
</tr>
<tr>
<td>Meadows/pastures</td>
<td>1,504.7379</td>
<td>3,845.2561</td>
<td>5,349.9940</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7,539.3560</strong></td>
<td><strong>13,726.0860</strong></td>
<td><strong>21,265.4420</strong></td>
</tr>
</tbody>
</table>

Source: MoA
OP in Serbia 2012 - 2019

![Graph showing arable area (ha), meadows/pastures (ha), and total area under organic production (ha) from 2012 to 2019.](image-url)
## Organic livestock production 2015 – 2019

<table>
<thead>
<tr>
<th>Type of animal</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep</td>
<td>4,848</td>
<td>4,378</td>
<td>4,665</td>
<td>5,138</td>
<td>6,099</td>
</tr>
<tr>
<td>Pigs</td>
<td>232</td>
<td>283</td>
<td>87</td>
<td>284</td>
<td>315</td>
</tr>
<tr>
<td>Cattle</td>
<td>2,746</td>
<td>2,895</td>
<td>3,094</td>
<td>3,594</td>
<td>3,556</td>
</tr>
<tr>
<td>Goats</td>
<td>1,686</td>
<td>1,406</td>
<td>2,048</td>
<td>1,486</td>
<td>536</td>
</tr>
<tr>
<td>Poultry</td>
<td>1,380</td>
<td>3,158</td>
<td>4,415</td>
<td>6,735</td>
<td>17,880</td>
</tr>
<tr>
<td>Donkey</td>
<td>20</td>
<td>2</td>
<td>47</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>Horses</td>
<td>218</td>
<td>165</td>
<td>177</td>
<td>114</td>
<td>88</td>
</tr>
<tr>
<td>Beehives</td>
<td>2,504</td>
<td>2,878</td>
<td>2,307</td>
<td>3,061</td>
<td>9,969</td>
</tr>
</tbody>
</table>

Source: MoA
Organic Trade for Development

- Total certified producers: 534
- Co-operants: 5,727 (group certification)

Top products:
1. Frozen raspberry (53.4%)
2. Apple concentrate (9.3%)
3. Frozen blackberry (8.6%)
4. Frozen sour cherry (7.3%)
5. Dried plum (3.3%)

Top exported countries:
1. EU – 85.8% (Germany 34.8%, the Netherlands 14.5%, Italy 12.3%, France 12.2%, Poland 9.2%)
2. USA – 6.9%
3. Canada – 3%
4. Switzerland – 2.3%
5. Australia – 1.3%

- 6,251 producers in 2019
- 29,713,907.65 € export value in 2019
- 13,283,489.35 kg of exported quantity in 2019
Challenges in sector

Production level
- Primary processing predominate
- Narrow product assortment
- Lack of investments in ready to eat products
- Seasonal character of farm products
- Relatively high costs of organic inputs
- Lack of interest of cooperative work
- Robust administrative work for CB

Marketing level
- Country image
  - Strong and reliable partnerships
  - Strong competition on international markets
- Low bargaining power of farmers
- High delivery costs of farmers
- Strong competition with imported products
- Low awareness of consumers
- Lack of trust
- Price sensitivity of domestic consumers

Support level
- Lack of adequate business support
- Lack of business events
- Lack of information on support measures across Serbia
- Lack of market information
- Lack of adequate advisory service
- Lack of labour
- Lack of business and entrepreneurship skills and knowledge
- Lack of production skills and knowledge
- Setting favourable environment for OP
Planned activities

**Production level**
- Public Private Partnership Projects – to improve business and local environment
- Enabling legislative framework to support production and producers

**Marketing level**
- Establishment of a Market Information System.
- National campaign for promotion of OP
- Facilitated access of local farmers’ products on the market
- Remote areas promoted on the market

**Support level**
- Strengthening of Business Support Organisations
- Training of CB
- Establishment of Import-Export-Platforms through sector convening events
- Organization of the Organic Leadership Course
Overall goal

✓ To build capacities of domestic producers and support organisations
✓ To enable favourable environment for continuous and smooth development of organic production
✓ To promote Serbia as land of quality organic food
✓ To raise awareness of Serbian consumers
✓ To make remote domestic organic food accessible on the market
✓ To provide information and knowledge to stakeholders along the value chain
✓ To improve livelihood conditions and economic prosperity in rural areas
✓ To provide adequate and updated information
✓ To facilitate partnerships and higher export rate
Thank you
Organic Sector in Albania
Iris Kazazi - Albanian Association of Marketing
<table>
<thead>
<tr>
<th>Product</th>
<th>Surface</th>
<th>Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olives</td>
<td>43 ha</td>
<td>▪ Farmers cooperate with processors of olive oil</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Organic olive oil sold domestically and exported</td>
</tr>
<tr>
<td>Vineyards</td>
<td>25 ha</td>
<td></td>
</tr>
<tr>
<td>Fruits</td>
<td>Less than 14 ha</td>
<td></td>
</tr>
<tr>
<td>Herbs</td>
<td>39 ha</td>
<td></td>
</tr>
<tr>
<td>Strawberries</td>
<td>43 ha</td>
<td></td>
</tr>
<tr>
<td>Apples</td>
<td>5 ha</td>
<td></td>
</tr>
<tr>
<td>Wild collected herbs and MAPs</td>
<td>380,612 ha</td>
<td>▪ Mainly processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Companies are the owners of the organic certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Not the entire area is yet organic-certified</td>
</tr>
<tr>
<td>Chestnuts</td>
<td>2,400 ha</td>
<td>▪ The entire area is not completely organic certified</td>
</tr>
<tr>
<td>Vegetables</td>
<td>6 ha</td>
<td></td>
</tr>
<tr>
<td>Cultivated MAPs</td>
<td>395 ha</td>
<td></td>
</tr>
</tbody>
</table>
Important Legal aspects


2. The Order of Minister of Agriculture and Rural Development No.228, date 8.6.2020 “On the approval of list of products and substances used in processing of biological food” This order is partially aligned with the Commission implementing regulation (EU) 2019/2164 of 17 December 2019
Organic development

Production Diversity

There are three livestock operators on beekeeping and poultry.

There is only one company producing eggs for consumption (1,952,500 eggs).
## Needs Assessment

### Local
- Lack of competent extension services; low production efficiency, high production costs
- Market logistics
- Market access and consumers awareness
- Create zones of organic production (expansion of production)
- Support for certification
- Knowledge on packaging, technology, eco-friendly
- Access to seeds and planting material
- Models of contract farming
- Subsidy on production and processing

### Export
- Promotion in export markets, business meetings, international events
- Market logistics
- Information on market opportunities, participation in fairs
- Support for certification
- Access to investment capital, working capital
- Better systems to monitor compliance with environmental protection rules
- Subsidy on production and processing
- Lobbying for organic export industry regarding trade agreements with EU countries
Organic Overview

Key stakeholders in the organic sector
<table>
<thead>
<tr>
<th>Component 1</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establishment of a Market Information System</strong></td>
<td>Coordinate with sector actors, SIPPO, GIZ and others to understand market information needs of likely clients of the service until beginning of Sept 2021; etc.</td>
</tr>
<tr>
<td><strong>Develop Capacities for Business Support Organizations</strong></td>
<td>Support in promotion of timely and competent support services within the sector (web site, promotion material...) during Oct-Dec 2021; etc</td>
</tr>
<tr>
<td><strong>Support Service Providers to meeting certification requirements</strong></td>
<td>Implementation of 1st training event common for Serbian and Albanian CBs and private consultants tentatively in end of Sept - beginning of Oct 2021; etc.</td>
</tr>
<tr>
<td><strong>PPP</strong></td>
<td>Launch invitation for the Virtual Kick off OT4D Program in June 28th, 2021; etc.</td>
</tr>
<tr>
<td><strong>Establishment of Import- Export-Platforms through sector convening events</strong></td>
<td>1st virtual platform meeting CH/EU to present and discuss project activities and PPP Facility by October 2021; etc.</td>
</tr>
</tbody>
</table>
## Planned Intervention

### Component 2

1. **Support in enhancement of sector governance**
   - **Specific activities:** *Organization of Organic Foundation Course in Oct 18 - 22, 2021; Support the Albanian companies in finalizing the application for exhibiting in Biofach 2022 by the end of October 2021; etc.*

2. **Increase consumer awareness and demand on organic food**
   - **Specific activities:** *Conduct consumer research for development of national campaigns in organic by end of October - November 2021; Participation in I Grow Your Food action day in September 2021, etc.*

3. **Local farmers supply organic products at national and local outlets**
   - **Specific activities:** *Seed fund - Concept developed by December 2021; Assessment of farmers' needs for exchange visits by December 2021; etc.*

4. **Governments apply best practice policies for sustainable sector development.**
   - **Specific activities:** *Organize information sharing sessions to policy makers on the new EU regulations during July - Dec 2021; etc.*
Iris Kazazi, iriskazazi@aam.al

Thank you

www.ifoam.bio
Organic Sector in Ukraine
Kateryna SHOR
Country Coordinator in Ukraine
Overview of the Organic Market in Ukraine

Organic agricultural land (certified according to the Equivalent EU Organic Production & Processing Standard for Third Countries and for 2019 NOP (USA), ha)

- Number of operators
  - 2016: 426
  - 2017: 504
  - 2018: 635
  - 2019: 617

- Organic land
  - With organic status, ha
  - 2016: 289,551
  - 2017: 289,000
  - 2018: 309,100
  - 2019: 384,529

Domestic organic market

A total of 7,350 tons of organic products at a value of UAH 575 million are estimated to have been sold on the domestic market in 2019 (equivalent to USD 24.3 million of NBU exchange rate as of 31/12/2019).

<table>
<thead>
<tr>
<th>Amount, tons</th>
<th>Value, million UAH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy products</td>
<td>4640</td>
</tr>
<tr>
<td>Meat products</td>
<td>1240</td>
</tr>
<tr>
<td>Cereals, grains, flour, seeds</td>
<td>990</td>
</tr>
<tr>
<td>Fruits and vegetables</td>
<td>120</td>
</tr>
<tr>
<td>Herbs and spices, sugar</td>
<td>90</td>
</tr>
<tr>
<td>Ice cream</td>
<td>80</td>
</tr>
<tr>
<td>Other products*</td>
<td>45</td>
</tr>
</tbody>
</table>

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*Other products (bakery and macaroni products, eggs, oils, honey, chocolate, tea, coffee)

This infographics is based on the organic market survey held by Information Center “Green dossier”, Organic Standard Ltd and FiBL (Switzerland) in the frame of the project “Organic Market Study and Policy Development Support” funded by the Swiss Confederation.
Overview of organic export from Ukraine, 2019

- About 35 exporting countries
- Top 3: Netherlands, Switzerland, USA
- About 80 organic products
- Top 3: Corn, wheat, soy
- About 236 importing companies
- Top 3: Germany (41), Poland (30), Switzerland (26)

Total organic export from Ukraine ≈ USD 189 million

DISTRIBUTION OF ORGANIC EXPORT FROM UKRAINE BY REGION

- EUROPE, 85%
- NORTH AMERICA, 12%
- ASIA, 3%
- AFRICA, < 1%

This infographic is based on the organic market survey held by Information Center “Gospodar” Organic Standard Ltd and FiBL (Switzerland) in the frame of the project “Organic Market Study and Advisory Development Support” funded by the Swiss Confederation.
Main trading partners include Ecuador, Dominican Republic, China and Ukraine.

The ten largest export countries of organic products to the EU represented 64% of imports in 2020.

**FIGURE 4 – Share (%) of total organic agri-food import volumes by export country, 2019 (inner circle) and 2020 (outer circle)**

- Ecuador: 36%
- Dominican Republic: 9%
- China: 8%
- Ukraine: 12%
- Peru: 8%
- Turkey: 6%
- India: 6%
- Colombia: 7%
- Brazil: 4%
- Mexico: 6%
- Other: 2%

*Source: Traces*
Organic Trade for Development - perspectives

Land under organic production

3% of the total area of agricultural lands in Ukraine, which is approximately 1.3 million hectares.

Exports of organic products

Increasing of export values to 1 billion US dollars by 2030.

Organic indicators approved by Cabinet of Ministers of Ukraine in «The National Economic Strategy until 2030»
Organic Trade for Development – sector needs

Law consumer awareness about organic
- increasing consumer awareness about benefits of organic products;
- increasing confidence in organic products;
- make information about organic available at sale points.

Lack of information about organic agriculture
- strengthening service providers through capacity development and know-how;
- attracting new producers and service providers to the sector.

Increasing domestic sales
- building capacity of operators about marketing issues;
- differentiate sale points of organic products.
Organic Trade for Development – key activities

**Organic Leadership Course**
- Approximately 20 people will be trained to become organic leaders.

**Communication Campaign**
- Will be supported in Ukraine (campaign launched in May 2021 implementing by Organic Initiative).
  - #IGrowYourFood campaign and other initiatives and cooperation with media will be supported.

**Market actors support**
- Strengthening of existing and new local marketing initiatives.
Thank you!
PPP Co-financing facility
Call for PPP proposals
PPP co-financing facility

Matching grant to Private-Public-Partnerships (PPP) projects in the organic export-oriented supply chains of Albania, Ukraine and Serbia.

**PPP Co-Financing Facility**
Total amount of CHF 1.5 million for PPP projects (SECO).

**Matching grant**
- Minimum private contribution of 50% of the total project costs required
- Maximum of 30% in-kind contribution (= minimum of 20% financial contribution)
- Project budget must provide financing of monitoring and evaluation of the PPP

**Ranges of contribution**

<table>
<thead>
<tr>
<th>Category</th>
<th>Range of contribution</th>
<th>Targeted number of projects per country</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Up to 50'000 CHF</td>
<td>2-6</td>
</tr>
<tr>
<td>B</td>
<td>Up to 100'000 CHF</td>
<td>2-4</td>
</tr>
</tbody>
</table>
Call for PPP project proposals (1)

Objective

• PPP enable export business partnerships that contribute to Value addition and/or develop new suppliers from Ukraine, Albania and Serbia.
• Improve economic prospects in rural areas by creating new jobs and mobilizing investments of strategic relevance.
• Capacity development of the organic sector actors to become more competitive in the export market
• Creation and contribution to public goods that benefit the entire sector

→ for Export Business only!
Call for PPP project proposals (2)

Public Good

In general:
public good (also social good or collective good) is a good that is both non-excludable and non-rivalrous, and valuable to more than one user. Users cannot be barred from accessing and/or using it for failing to pay for it. Also, the use by one person neither prevents access of other people nor does it reduce availability to others. Therefore, the good can be used simultaneously by more than one person.

In OT4D:
- anchorage of organic practice in rural advisory systems, agricultural schools and business associations
- improved general access to organic inputs (e.g. seeds)
- overall strengthening of capacities of local BSOs including research and development institutions
Call for PPP project proposals (3)

Who can apply?
The Swiss and EU based sourcing industry in partnership with the Serbian/Albanian/Ukrainian producing industry supplying the Swiss and European (EU) organic markets

How to apply?
Hand in a Concept Note based on the template provided in with the call details:
Downloadable on www.organictrade4development.org
Call for PPP project proposals (4)

Organic Trade for Development (OT4D)
Private-Public-Partnerships Co-Financing Facility
Timeline of Call for Proposals 2021

- Call for proposals: 6 July 2021
- Q&A: 24 August
- Submission of Concept Note: 17 September
- Assessment by Expert Committee: 31 October
- Invitation for project proposal
- Submission of Project Proposal
- Assessment by Expert Committee
- Presentation of Project Proposal
- Final decision and approval
- Signing of contribution agreement
- PPP Project start: February 2022
Call for PPP project proposals (5)

Questions and Answers

Time frame until August 6

Please hand in your questions in written to OT4D@helvetas.org.

The answers to your question will be accessible to everybody interested at www.organictrade4development.org